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UNITED STATES DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
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TITLE 7 -- AGRICULTURE

Chapter VIII—Commodity Stabilization Service (Sugar), Department of Agriculture

Subchapter B—Sugar Requirements and Quotas

PART 815—REQUIREMENTS RELATING TO THE MARKETING OF SUGAR AND LIQUID SUGAR PRODUCED FROM SUGAR BEETS AND SUGARCANE GROWN IN THE CONTINENTAL UNITED STATES

Basis and purpose. The regulations in §§ 815.1 through 815.9 issued pursuant to the Sugar Act of 1948, as amended, govern the handling of sugar or liquid sugar produced from domestic sugar beets and mainland sugarcane in relation to quotas and allotments established under sections 202 and 205 of that act, and the prohibitions set forth in subsections (b) and (d) of section 209 of that act. They also provide the method for exempting sugar produced from such beets or sugarcane from quotas when marketed pursuant to item (4) of section 212 of the Sugar Act of 1948, as amended.

These regulations apply to processors and refiners with respect to all sugar and liquid sugar they produce or refine from domestic sugar beets and mainland sugarcane. They also apply to any person who acquires such sugar or liquid sugar for the distillation of alcohol or for livestock feed or for the production of livestock feed. The provisions of Sugar Regulations 816 (7 CFR Part 816) and 819 (7 CFR Part 819) continue in effect with respect to sugar produced other than from domestic sugar beets or mainland sugarcane.

Prior to the issuance of the regulations in §§ 815.1 to 815.9 public notice (19 F. R. 6045) was given in accordance with the Administrative Procedure Act (60 Stat. 237) (5 U. S. C. 1003). The data, views and recommendations pertaining to the regulations in §§ 815.1 to 815.9 which were submitted have been duly considered within the limits permitted by the Sugar Act of 1948, as amended.

In accordance with the provisions of section 4 of the Administrative Procedure Act, §§ 815.1 to 815.9 shall become effective 30 days from the date of publication in the FEDERAL REGISTER.

Sec.

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AUTHORITY: §§ 815.1 to 815.9 issued under sec. 403, 61 Stat. 932; 7 U. S. C. Sup. 1153. Interprets or applies secs. 205, 209, 212; 61 Stat. 926, 928, 929; 7 U. S. C. Sup. 1116, 1119, 1122.

§ 815.1 *Definitions.* As used in this part:

(a) The term "act" means the Sugar Act of 1948, as amended (61 Stat. 922; 65 Stat. 318; 7 U. S. C. Sup. 1100).

(b) The term "person" means an individual, partnership, corporation, association, estate, trust or other business enterprise or legal entity, and, wherever applicable, a State, political subdivision of a State, the Federal Government, or any agency thereof.

(c) The term "mainland sugar" means sugar or liquid sugar, as defined in section 101 of the act, processed from sugar beets grown in the domestic beet sugar area, or from sugarcane grown in the mainland cane sugar area.

(d) The term "processor" means any person who manufactures "mainland sugar" as defined in this part or any person for whose account mainland sugar is manufactured by another person.

(e) The term "refiner" means any person who acquires mainland raw or liquid sugar from a processor for refining or otherwise improving the quality of such mainland sugar. (The same person may be both a "processor" and a "refiner").

(f) The term "Department" means the United States Department of Agriculture.

(g) The term "Secretary" means the Secretary of Agriculture or any officer or employee of the Department to whom the Secretary has delegated authority in this part to act in his stead.

(h) The term "quota" means any calendar year quota established in Part 811 of this chapter for the domestic beet sugar area or the mainland cane sugar area.

(i) The term "allotment" means the portion of a quota established for a processor in Part 814 of this chapter.

§ 815.2 *When marketings occur.* (a) Except as provided in paragraphs (b) and (c) of this section, mainland sugar shall be deemed to be marketed whenever pursuant to a contract of sale one of the following actions first occurs:

(1) The processor physically delivers mainland sugar to a buyer.

(2) The processor physically delivers mainland sugar to a carrier for shipment to a buyer.

(3) The processor endorses and delivers to a buyer a negotiable warehouse receipt issued by a public warehouseman or an order bill of lading issued by a public carrier covering mainland sugar.

(4) A public warehouseman issues and delivers to a buyer at the processor's request a warehouse receipt (negotiable or non-negotiable) or a warehouse delivery advice covering mainland sugar.

(5) The processor transfers and delivers to a buyer a non-negotiable warehouse receipt issued by a public warehouseman covering mainland sugar, and the warehouseman acknowledges to such buyer that he is holding such sugar for the account of such buyer.

(6) The processor and the buyer on or before December 31 of any year certify to the Secretary on a form prescribed by him that a specified quantity of mainland sugar in exclusive actual possession of the processor at the close of business on December 31 will be held for the account of the buyer and be physically delivered to the buyer or to a carrier for shipment to the buyer prior to March 1 of the year immediately following, and physical delivery (those actions described in subparagraph (1) or (2) not those in subparagraph (3), (4), or (5) of this paragraph) is made prior to March 1.

(b) Mainland sugar used by the processor or caused to be used in activities under his control for food or feed or for the production or manufacture of food or feed or other articles for commerce shall be deemed to be marketed at the time that such use occurs.

(c) Mainland sugar principally not of crystalline structure (such as beet molasses) sold to a processor who is a refiner, and used for the production of sugar principally of crystalline structure or liquid sugar as defined in section 101 of the act, shall be deemed to be marketed when the crystalline sugar or liquid sugar so produced is first subject to one of the actions described in paragraphs (a) and (b) of this section.

§ 815.3 *Effect of marketings on quotas and allotments.* Each marketing, as provided in § 815.2, of mainland sugar shall be effective for the purpose of filling the applicable quota and allotment at the time it occurs except as follows:

(a) A marketing of mainland sugar under a bond accepted pursuant to § 815.5 for further processing, refining and storage shall be effective for the purpose of filling the applicable quota and allotment upon the release of the bond or at the time the Secretary determines that a default in a condition of the bond has occurred.

(b) A marketing of mainland sugar under a bond accepted pursuant to § 815.5 for the distillation of alcohol, or for livestock feed or for the production of livestock feed, shall be effective for the purpose of filling the applicable quota and allotment at the time the Secretary determines that a default in a condition of the bond has occurred.

§ 815.4 *Restrictions on marketing.* The quantity of mainland sugar marketed by a processor and effective during any calendar year for the purpose of filling his allotment as provided in § 815.3 shall not exceed the quantity determined in Part 814 of this chapter to be the allotment of such processor for that year. In the absence of allotments, when the Secretary determines and gives public notice that prior authorizations are required to prevent the quota determined in Part 811 of this chapter from being exceeded, a processor shall not market mainland sugar until authorized by the Secretary in writing.

§ 815.5 *Requirement for bonds.* Paragraphs (a) and (b) of § 815.3 shall not apply to marketing of mainland sugar unless the processor first makes application to and receives the approval of the Secretary on a form prescribed by the Secretary, and unless a bond satisfactory to the Secretary is furnished in the amount and subject to the conditions and provisions as provided in § 815.6.

§ 815.6 *Provisions of bond—(a) Principal and surety.* Only a refiner may be the principal on a bond for the purpose of further processing or refining and storage of mainland sugar. Any person to whom mainland sugar is marketed for distillation of alcohol, for livestock feed, or for the production of livestock feed may be the principal on a bond for such purposes. The surety or sureties shall be among those listed by the Secretary of the Treasury as acceptable on Federal bonds.

(b) *Obligation.* The obligation under the bond shall not be less than the sum of the amounts applicable to all marketings of mainland sugar covered at any one time thereunder. The amount applicable to each marketing covered by a bond accepted under this part shall be the "spot" quotation (Cuban in bond equivalent) in New York per pound of raw sugar for consumption in the continental United States quoted by the New York Coffee and Sugar Exchange for the last business day before the date of request to the Secretary for approval of the marketing under the bond, multiplied by the weight in pounds of the sugar comprising each marketing; except that the amount applicable to each mar-

keting of liquid sugar shall be computed upon the basis of the same price per pound, ascertained as heretofore stated in this paragraph, multiplied by the pounds of the "total sugar content", as defined in the act, of the sugar comprising each marketing.

(c) *Conditions.* Any bond furnished pursuant to this part shall be upon the following conditions:

(1) In the case of any application approved by the Secretary to market to the principal named in the bond a quantity of mainland sugar for refining and storage, the principal shall hold and store all of such quantity of mainland sugar, or an equivalent quantity, at the refinery where received until release thereof within the applicable quota or allotment is authorized by the Secretary.

(2) In the case of any application approved by the Secretary to market to the principal named in the bond a quantity of mainland sugar for the distillation of alcohol, the principal shall use for the distillation of alcohol, all of the quantity of mainland sugar specified in any such application within six months after the date of approval by the Secretary of such application, or within such extension of time thereafter as the Secretary may specify.

(3) In the case of any application approved by the Secretary to market to the principal named in the bond a quantity of mainland sugar for use as livestock feed or the production of livestock feed, the principal shall use for livestock feed or the production of livestock feed all of the quantity of mainland sugar specified in any such application within six months after the date of approval by the Secretary of such application, or within such extension of time thereafter as the Secretary may specify.

(4) Upon default in the applicable condition or conditions heretofore set forth, payment shall be made to the United States of a sum equal to three times the value (value to be ascertained in the manner prescribed in paragraph (b) of this section) of the quantity of mainland sugar covered by the bond marketed in excess of the applicable quota or allotment of the processor.

(d) *Duration of obligation under a bond.* Any bond furnished pursuant to this part shall provide that the obliga-

tion thereunder will remain in full force and effect until the Secretary notifies the principal and surety of release thereof with respect to all quantities authorized by the Secretary thereunder during the period stated in the bond.

§ 815.7 *Records and reports.* (a) Each person subject to the provisions of this part shall keep and preserve, for a period of five years following the end of the calendar year in which the mainland sugar is marketed, an accurate record of the processings, receipts and marketings of mainland sugar. Upon request by any authorized employee of the Department, such records shall be made freely available for examination by such employee during regular working hours of any business day.

(b) Each person subject to the provisions of this part shall make application for authorizations provided for in this part and shall report information as and when required by the Secretary on forms specified by him and approved by the Bureau of the Budget under the Federal Reports Act of 1942.

§ 815.8 *Delegation of authority.* The Director or Deputy Director of the Sugar Division, or the Chief of the Quota and Allotment Branch thereof, Commodity Stabilization Service of the Department, is authorized to act for and on behalf of the Secretary in administering this part.

§ 815.9 *Application of §§ 815.1 to 815.9 and prior regulations.* The regulations in §§ 815.1 to 815.9 shall apply to mainland sugar, as defined in § 315.1, upon the effective date thereof, except that actions with respect to mainland sugar taken prior to such effective date and pursuant to Sugar Regulations 64.5 (13 F. R. 1076, 14 F. R. 466); 816 (14 F. R. 2163); and, 819 (13 F. R. 2063, 14 F. R. 466) shall be subject to and governed by such sugar regulations.

Done at Washington, D. C., this 24th day of November 1954. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[19 FR 7930]

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